

MANDATORY SOCIAL SECURITY Issue Brief

What Californians Say

"First year costs for bringing some 70,000 public safety employees into coverage are approximately \$157.5 million. In addition, the average employee would face a reduction in net pay of \$2,250 per year, due to the required Social Security payroll tax."

*State Department of
Personnel Admin.*

"Retirement benefits have been negotiated through labor contracts and are 'vested' for existing employees. Reducing these benefits for newly hired employees will have a negative impact on labor relations, recruitment, employee morale, and benefit structures."

*George Pettygrove
Mayor of Fairfield*

"In order to meet the requirements to pay Social Security taxes, it is likely that Garden Grove would have to take drastic measures, such as permanently closing one fire station, eliminating at least 15 police officers from the street and eliminating virtually all 'quality of life' types of services."

*Bruce A. Broadwater
Mayor of Garden Grove*

"This mandate would cost the City of Burbank approximately \$8 million over the next ten years."

*Dave Golonski
Mayor of Burbank*

Proposed New Federal Payroll Tax Would Devastate California Public Sector

There is Federal legislation backed by a Federal advisory panel recommendation to require newly hired public employees and their employers to participate in the Social Security program.

There are nearly 1 million public employees in California who work for 1,800 public agencies who do not participate in Social Security. If enacted, newly hired public employees would be forced to pay 6.2 percent of pay to Social Security and their employer would be required to pay a like amount. Even current workers would be affected because of the multi-billion dollar drain on public employers would inevitably affect them — maybe even their jobs.

Implementation of mandatory Social Security program participation would have a devastating impact on California. According to a Joint Resolution of the Legislature:

- The cost would be \$12.5 billion over 10 years.
- State and local government employers in California may have no choice but to reduce such services as law enforcement, fire protection, library, parks and recreation, refuse collection and recycling programs in order to pay this new Federal tax.
- Benefits currently provided by California's State and local government retirement plans may need to be reduced (for newly hired workers) due to the cost imposed by mandatory Social Security coverage.

The largest single sector impacted would be education. Some 450,000 teachers in California who work for more than 1,000 school districts are not in Social Security.

What You Can Do

The most important actions that you can take are 1) to urge your employer to determine the cost of mandatory coverage for you and them, 2) to have them write the President, the Vice President and your Senators and Congressmen with this information, and 3) to write your Federal representative yourself and urge them to oppose mandatory coverage. A sample letter and a list of these Federal representatives begins on page 4 of this issue brief.

What's Inside

Background Chronology	page 2
Actions by CalPERS	page 3
What Tax Advocates Say, What Opponents Say	page 3
Contacting Your Public Officials, DOs and DON'Ts.....	page 4
Californians Opposed to Mandatory Social Security	page 4
California Legislature Resolution	page 8

BACKGROUND CHRONOLOGY

1935

Social Security Act passed prohibiting State and local employees and their employers from participating in the program because the constitution bans Federal taxation of State and local governments.

1955

State and local governments could voluntarily join and leave the Social Security program.

1977

Persons collecting a pension benefit from non-Social Security employment were prevented from receiving full Social Security spousal benefits.

1977-1997

Mandatory coverage of public employees and their employers contained in various Federal Executive and Congressional Branch proposals.

1983

Revolving door closed. State and local governments choosing to be in the program must stay in; those who choose to stay out must remain out. Public employees whose public employers did not participate in Social Security but who qualified for Social Security from other employment saw their Social Security benefits substantially reduced.

1997

Federal Advisory Council on Social Security recommends mandatory universal Social Security coverage of newly hired public employees. Council report says such coverage will raise 10 percent of the funds needed to rebalance the fiscally troubled program and it is a matter of fairness.

Congressional Budget Office's annual report to the Budget Committees says mandatory universal Social Security coverage of newly hired public employees is an option to partially fix Social Security by raising \$11.3 billion in new revenues over five years.

White House working group begins weekly meetings on Social Security reform options in September.

1998

President Clinton says Social Security funding shortfall will be his top priority. White House coordinator of the Administration's weekly Social Security meetings says mandatory coverage of newly hired State and local government workers and their employers is a "no brainer" pro-position; will result in needed funds; and is simply a matter of fairness.

Factoid

Section 210 of the Social Security Act as passed by Congress and signed by President Roosevelt in 1935 defined "wages" to be covered by the new payroll tax as "all remuneration for employment."

"Employment" was defined in Section 210 as "any service, of whatever nature, performed within the United States by an employee for his employer, except...service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions."

For more information on the Social Security program — from the text of the original act and the transcription of the 1935 congressional debate through the latest amendments — www.ssa.gov.

Senator Daniel Patrick Moynihan (D-NY) introduces a comprehensive Social Security reform bill, S. 1792, that would provide for personal savings accounts and require universal coverage for all State and local government new hires. "Inclusion of State and local workers is sound public policy because most...State and local government employees (who are) not covered...receive Social Security benefits as a result of working at other jobs," Senator Moynihan said. Newly hired public workers would join the Social Security program in 2001.

National Commission on Retirement Policy sponsored by the Center for Strategic and International Studies, a business group, proposes on May 19 a Social Security reform plan that includes mandatory coverage of newly hired public employees and their employers.

Ways and Means Social Security Subcommittee holds hearing on May 21, on mandatory coverage of newly hired public employees and their employers.

1999

President Clinton proposes a Social Security reform plan that does not include mandatory coverage. Congressional Republicans introduce a plan of their own and it, likewise, does not include the new payroll tax.

Other bills, however, are introduced that do include mandatory Social Security coverage of newly hired public employees and their employers.

No action on Social Security is taken.

ACTIONS BY CALPERS

Winter, 1997-1998	Helps organize and attends a meeting of public pension representatives with White House officials who tell group that mandatory coverage is a matter of fairness, a “no brainer” and the government needs the money.
Spring, 1998	CalPERS Board meets in Washington, D.C. and gets briefing on issue and directs an action plan be developed and implemented. CalPERS helps organize the national Coalition to Preserve Retirement Security with representatives of public retirement systems from Colorado, Massachusetts, Nevada, Ohio and other States.
Summer, 1998	Pursuant to Board directive CalPERS: (1) surveys employers and develops agency-by-agency cost estimates, and (2) convenes issue briefings in eight cities across the State attended by representatives of 750 employers.
Winter 1998-1999	James E. Burton, CalPERS Chief Executive Officer, leads delegation of Californians to a meeting with White House officials. President Clinton invites Burton to be a delegate to the White House Conference on Social Security at which Burton delivers a paper opposing mandatory coverage and including California impact statement. Burton and other California representatives brief State’s Congressional delegation staff.
Spring, 1999	In Sacramento, testimony before California Legislature Committee leads to passage of Joint Resolution opposing mandatory coverage.
Balance, 1999	In Washington, D.C., work continues within Coalition to Preserve Retirement Security.

What Tax Advocates Say

- Social Security Program participation is a matter of fairness.
 - ❑ A majority of citizens are in the program, including U.S. Senators and Members of Congress and soldiers and sailors — even a majority of State and local government agencies and their workers are in the program.
 - ❑ Most of the seven million not in the program nevertheless get part-time or post public service career jobs that enable them to qualify for Social Security so they get the benefit anyway but without paying their fair share.
- It is every citizen’s duty to participate.
- The program is in trouble and the government needs the money.

What Opponents Say

- Fairness may sound good but these public agencies and their workers were prohibited from participating in the program when Social Security was established in 1935. They were told to develop their own systems.
- Complex benefits systems were developed — dating back to the 1930s — to take into account the special retirement and disability needs of public safety employees and others.
- Public pension beneficiaries who have earned a Social Security benefit are subject to a Federal cutback in their Social Security payments.
- These benefit systems — even when fully funded — require continued cash flow for investments that fund benefits, including health insurance. Diverting funds to Washington could result in reduced government services and/or reduced employee benefits and/or higher government costs.
- Investment earnings in current retirement systems that exceed projections are credited to employers whose costs are reduced. There is no such yield to employers in Social Security.

Contacting Your Public Officials

It is important to communicate with your public representatives, including the President and the Vice President. To the right is a sample letter for Senators or Representatives. Their addresses follow on pages 5 through 7. For letters to the President or Vice President, the text of the letter should be addressed as follows:

**President William J. Clinton
or Vice President Albert Gore
The White House
Washington, D.C. 20500**

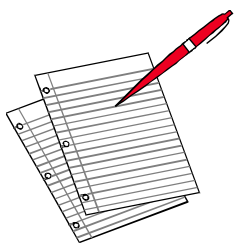
The salutation should read:

"Dear Mr. President:"

or

"Dear Mr. Vice President:"

You will find some useful tips below.



DOs

- ✓ Present facts
- ✓ Explain consequences
- ✓ Stay on message
- ✓ Be nice
- ✓ Thank them for past help

DON'Ts

- ✓ Trash Social Security
- ✓ Preach or threaten
- ✓ Tell them how to fix Social Security
- ✓ Send form letters

Sample Letter

Honorable _____
U.S. House of Representatives/U.S. Senate
Washington, D.C. 20515/20510

Dear Representative/Senator _____:

Identify yourself and your organization.
State the reason for writing (i.e. concern over the possibility of mandatory Social Security coverage).

Acknowledge the value of the Social Security program and the need to restructure the program. State your reason for believing mandatory coverage of State and local government employees is a bad idea. Give the precise financial affects on your agency or organization.

State the action you would like the letter recipient to take (committing to fighting the mandatory coverage proposals; getting a commitment from the President not to propose it and Congressional leadership to oppose mandatory coverage; remove mandatory coverage from any negotiations, etc.)

Express appreciation for his/her attention to this issue and close.

Sincerely,

Californians Opposed to Mandatory Social Security

Senators

Barbara Boxer

Dianne Feinstein

Representatives

Howard Berman

Robert T. Matsui

Ellen Tauscher

Brian Bilbray

Howard McKeon

Mike Thompson

Lois Capps

Juanita Millender-McDonald

Henry Waxman

Gary Condit

George Miller

Lynn Woolsey

Randy Cunningham

Grace Napolitano

Julian Dixon

Doug Ose

Anna Eschoo

Nancy Pelosi

Sam Farr

Richard Pombo

Bob Filner

Lucille Roybal-Allard

Steven Kuykendall

Ed Royce

Tom Lantos

Loretta Sanchez

Barbara Lee

Brad Sherman

U.S. Senate

Barbara Boxer (D)

112 Hart Senate Office Bldg.
Washington, DC 20510-0505
Telephone: (202) 224-3553
Fax: (202) 228-4056
E-Mail: senator@boxer.senate.gov

1700 Montgomery St., Suite 240
San Francisco, CA 94111
Telephone: (415) 403-0100
Fax: (415) 956-6701

312 North Spring St., Suite 1748
Los Angeles, CA 90012
Telephone: (213) 894-5000
Fax: (213) 894-5012

600 B St., Suite 2240
San Diego, CA 92101
Telephone: (619) 239-3884
Fax: (619) 239-5719

210 N.E. St., Suite 210
San Bernardino, CA 92401
Telephone: (909) 888-8525
Fax: (909) 888-8613

650 Capitol Mall, Suite 6544
Sacramento, CA 95814
Telephone: (916) 448-2787
Fax: (916) 448-2563

1130 O Street, Suite 2450
Fresno, CA 93721
Telephone: (559) 497-5109
Fax: (559) 497-5111

Dianne Feinstein (D)

331 Hart Senate Office Bldg.
Washington, DC 20510-0504
Telephone: (202) 224-3841
Fax: (202) 228-3954
E-Mail: senator@feinstein.senate.gov

525 Market St., Suite 3670
San Francisco, CA 94105
Telephone: (415) 536-6868

750 B St., Suite 1030
San Diego, CA 92101
Telephone: (619) 231-9712

11111 Santa Monica Blvd., #915
Los Angeles, CA 90025
Telephone: (310) 914-7300

1130 O St., Suite 2446
Fresno, CA 93721
Telephone: (559) 485-7430

Mary Bono, (R-44)

516 Cannon House Office Bldg.
Washington, DC 20515-0544
Telephone: (202) 225-5330
Fax: (202) 225-2961

Ken Calvert (R-43)

2201 Rayburn House Office Bldg.
Washington, DC 20515-0543
Telephone: (202) 225-1986

Tom Campbell (R-15)

2442 Rayburn House Office Bldg.
Washington, DC 20515-0515
Telephone: (202) 225-2631
Fax: (202) 225-6788
E-Mail: campbell@mail.house.gov

Lois Capps (D-22)

1118 Longworth House Office Bldg.
Washington, DC 20515-0522
Telephone: (202) 225-3601
Fax: (202) 225-5632
Email: lois.capps@mail.house.gov

Garv A. Condit (D-18)

2234 Rayburn House Office Bldg.
Washington, DC 20515-0518
Telephone: (202) 225-6131
Fax: (202) 225-0819
E-mail: rep.condit@mail.house.gov

Christopher Cox (R-47)

2402 Rayburn House Office Bldg.
Washington, DC 20515-0547
Telephone: (202) 225-5611
Fax: (202) 225-9177
Email: christopher.cox@mail.house.gov

Randy (Duke) Cunningham (R-51)

2238 Rayburn House Office Bldg.
Washington, DC 20515-0551
Telephone: (202) 225-5452
Fax: (202) 225-2558

Julian Dixon (D-32)

2252 Rayburn House Office Bldg.
Washington, DC 20515-0532
Telephone: (202) 225-7084
Fax: (202) 225-4091

Calvin Dooley (D-20)

1201 Longworth House Office Bldg.
Washington, DC 20515-0520
Telephone: (202) 225-3341
Fax: (202) 225-9308

John T. Doolittle (R-4)

1526 Longworth House Office Bldg.
Washington, DC 20515-0504
Telephone: (202) 225-2511
Fax: (202) 225-5444
E-Mail: doolittle@mail.house.gov

155 S. Palm Canyon Dr., B23
Palm Springs, CA 92264
Telephone: (760) 320-1076
Fax: (760) 320-0596

3400 Central Ave., Suite 200
Riverside, CA 92506
Telephone: (909) 784-4300

910 Campisi Way, Suite 1C
Campbell, CA 95008
Telephone: (408) 371-7337
Fax: (408) 371-7925

1428 Capala St.
Santa Barbara, CA 93101
Telephone: (805) 730-1710
Fax: (805) 730-9153

1411 Marsh St., Suite 205
San Luis Obispo, CA 93401
Telephone: (805) 546-8348
Fax: (805) 546-8368

910 East Stowell Rd, Suite 111
Santa Maria, CA 93454
Telephone: (805) 349-9313
Fax: (805) 349-1241

920 – 16th St., Suite C
Modesto, CA 95354
Telephone: (209) 527-1914
Fax: (209) 527-5748

415 W. 18th St.
Merced, CA 95340
Telephone: (209) 383-4455

One Newport Pl., Suite 420
Newport Beach, CA 92660
Telephone: (949) 756-2244
Fax: (949) 251-9309

613 W. Valley Pkwy., #320
Escondido, CA 92025
Telephone: (760) 737-8438
Fax: (760) 737-9132

5100 W. Goldleaf Cir., Suite 208
Los Angeles, CA 90056
Telephone: (323) 678-5424
Fax: (323) 678-6026

224 West Lacey Blvd.
Hanford, CA 93230
Telephone: (559) 585-8171

2130 Professional Dr., Suite 190
Roseville, CA 95661
Telephone: (916) 786-5560
Fax: (916) 786-6364

U.S. House of Representatives

Joe Baca (D-42)

2300 Rayburn House Office Bldg.
Washington, DC 20515-0542
Telephone: (202) 225-6161

Xavier Becerra (D-30)

1119 Longworth House Office Bldg.
Washington, DC 20515-0530
Telephone: (202) 225-6235
Fax: (202) 225-2202

Howard L. Berman (D-26)

2330 Rayburn House Office Bldg.
Washington, DC 20515-0526
Telephone: (202) 225-4695

Brian Bilbray (R-49)

1530 Longworth House Office Bldg.
Washington, DC 20515-0549
Telephone: (202) 225-2040
Fax: (202) 225-2948
E-Mail: brian.bilbray@mail.house.gov

201 North E Street, Suite 102
San Bernardino, CA 92401
Telephone: (909) 383-1233
Fax: (909) 383-7741

1910 Sunset Blvd., #560
Los Angeles, CA 90026
Telephone: (213) 483-1425
Fax: (213) 483-1429

10200 Sepulveda Blvd., Ste. 300
Mission Hills, CA 91345
Telephone: (818) 891-0543

1001 Camino del Rio So., #330
San Diego, CA 92108
Telephone: (619) 291-1430
Fax: (619) 291-8956

David Dreier (R-28)

237 Cannon House Office Bldg.
Washington, DC 20515-0528
Telephone: (202) 225-2305

Anna G. Eshoo (D-14)

205 Cannon House Office Bldg.
Washington, DC 20515-0514
Telephone: (202) 225-8104
Fax: (202) 225-8890
E-Mail: annagram@mail.house.gov

Sam Farr (D-17)

1221 Longworth House Office Bldg.
Washington, DC 20515-0517
Telephone: (202) 225-2861
Fax: (202) 225-6791
E-Mail: samfarr@mail.house.gov

Bob Filner (D-50)

2463 Rayburn House Office Bldg.
Washington, DC 20515-0550
Telephone: (202) 225-8045
Fax: (202) 225-9073
Email: alktobobfilner@mail.house.gov

Elton Gallegly (R-23)

2427 Rayburn House Office Bldg.
Washington, DC 20515-0523
Telephone: (202) 225-5811
Fax: (202) 225-1100

Wally Herger (R-2)

2433 Rayburn House Office Bldg.
Washington, DC 20515-0502
Telephone: (202) 225-3076
Fax: (202) 225-1740

Steve Horn (R-38)

2331 Rayburn House Office Bldg.
Washington, DC 20515-0538
Telephone: (202) 225-6676
Fax: (202) 226-1012
E-Mail: stephen.horn@mail.house.gov

Duncan L. Hunter (R-52)

2265 Rayburn House Office Bldg.
Washington, DC 20515-0552
Telephone: (202) 225-5672
Fax: (202) 225-0235

Steven T. Kuykendall (R-36)

512 Cannon House Office Bldg.
Washington, DC 20515-0536
Telephone: (202) 225-8220
Fax: (202) 225-7119

Tom Lantos (D-12)

2217 Rayburn House Office Bldg.
Washington, DC 20515-0512
Telephone: (202) 225-3531
Fax: (202) 225-7900

112 N. Second Ave.
Covina, CA 91723
Telephone: (626) 339-9078
(909) 592-2857

698 Emerson St.
Palo Alto, CA 94301
Telephone: (650) 323-2984
Fax: (650) 323-3498

380 Alvarado St.
Monterey, CA 93940
Telephone: (408) 649-3555

100 W. Alisal, P.O. Box 145
Salinas, CA 93901
Telephone: (831) 424-2229

701 Ocean St., Room 318
Santa Cruz, CA 95060
Telephone: (831) 429-1976

333 F St., Suite A
Chula Vista, CA 91910
Telephone: (619) 422-5963
Fax: (619) 422-7290

300 Esplanade Dr., Suite 1800
Oxnard, CA 93030-1262
Telephone: (805) 485-2300
Fax: (805) 983-3922

55 Independence Cr., Suite 104
Chico, CA 95973
Telephone: (530) 893-8363

410 Hemsted Dr., Suite 115
Redding, CA 96002
Telephone: (530) 223-5898

4010 Watson Plaza Dr., #160
Lakewood, CA 90712
Telephone: (562) 425-1336
Fax: (562) 425-4591

366 So. Pierce St.
El Cajon, CA 92020
Telephone: (619) 579-3001
Fax: (619) 579-2251

1101 Airport Rd., Suite G
Imperial, CA 92251
Telephone: (760) 353-5420
Fax: (760) 353-0653

21311 Hawthorne Blvd., Suite 250
Torrance, CA 90503-5610
Telephone: (310) 543-1098
Fax: (310) 543-2098

400 El Camino Real, Suite 410
San Mateo, CA 94402
Telephone: (650) 342-0300
Fax: (650) 375-8270

Barbara Lee (D-9)

414 Cannon House Office Bldg.
Washington, DC 20515
Telephone: (202) 225-2661
Fax: (202) 225-9817
Email: barbara.lee@mail.house.gov

Jerry Lewis (R-40)

2112 Rayburn House Office Bldg.
Washington, DC 20515-0540
Telephone: (202) 225-5861
Fax: (202) 225-6498

Zoe Lofgren (D-16)

318 Cannon House Office Bldg.
Washington, DC 20515-0516
Telephone: (202) 225-3072
Fax: (202) 225-3336
E-Mail: zoe@lofgren.house.gov

Matthew G. Martinez (D-31)

2269 Rayburn House Office Bldg.
Washington, DC 20515-0531
Telephone: (202) 225-5464
Fax: (202) 225-5467

Robert T. Matsui (D-5)

2308 Rayburn House Office Bldg.
Washington, DC 20515-0505
Telephone: (202) 225-7163
Fax: (202) 225-0566
Email: robert.matsui@mail.house.gov

Howard P. (Buck) McKeon (R-25)

2242 Rayburn House Office Bldg.
Washington, DC 20515-0525
Telephone: (202) 225-1956
Fax: (202) 225-0683
E-Mail: tellbuck@mail.house.gov

Juanita Millender-McDonald (D-37)

419 Cannon House Office Bldg.
Washington, DC 20515-0537
Telephone: (202) 225-7924
Fax: (202) 225-7926
Email: millender.mcdonald@mail.house.gov

Gary G. Miller (R-41)

1037 Longworth House Office Bldg.
Washington, DC 20515-0541
Telephone: (202) 225-3201
Fax: (202) 226-6962

George Miller (D-7)

2205 Rayburn House Office Bldg.
Washington, DC 20515-0507
Telephone: (202) 225-2095
Email: george.miller-pub@mail.house.gov

Grace F. Napolitano (D-34)

1407 Longworth House Office Bldg.
Washington, DC 20515-0534
Telephone: (202) 225-5256
Fax: (202) 225-0027

1301 N. 1301 Clay St., #1000 North
Oakland, CA 94612
Telephone: (510) 763-0370

1150 Brookside Ave., Suite J-5
Redlands, CA 92373
Telephone: (909) 862-6030

635 No. First St.
San Jose, CA 95112
Telephone: (408) 271-8700
Fax: (408) 271-8713

2550 West Main St. #301
Alhambra, CA 91801
Telephone: (626) 458-4524

8058 Federal Bldg.
650 Capitol Mall
Sacramento, CA 95814
Telephone: (916) 498-5600

23929 W. Valencia Blvd., #410
Santa Clarita, CA 91355
Telephone: (661) 254-2111
Fax: (661) 254-2380

1008 West Ave., M-14, #E-1
Palmdale, CA 93551
Telephone: (661) 274-9688
Fax: (661) 274-8744

970 W. 190th St.
East Tower, Suite 900
Torrance, CA 90502
Telephone: (310) 538-1190
Fax: (310) 538-9672

22632 Golden Spring Dr. #350
Diamond Bar, CA 91765
Telephone: (909) 612-4677

1333 Willow Pass Rd., #203
Concord, CA 94520
Telephone: (510) 602-1880

3220 Blume Dr., Suite 281
Richmond, CA 94806
Telephone: (510) 262-6500

1410 Georgia St.
Vallejo, CA 94590
Telephone: (707) 645-1888

1712 West Beverly Blvd., Suite 201
Montebello, CA 90640
Telephone: (323) 728-0112
Fax: (323) 728-4113

Doug Ose (R-3)

1508 Longworth House Office Bldg.
Washington, DC 20515-0503
Telephone: (202) 225-5716
Fax: (202) 226-1298
E-Mail: doug.ose@mail.house.gov

Ron Packard (R-48)

2372 Rayburn House Office Bldg.
Washington, DC 20515-0548
Telephone: (202) 225-3906
Fax: (202) 225-0134
Email: rep.packard@mail.house.gov

Nancy Pelosi (D-8)

2457 Rayburn House Office Bldg.
Washington, DC 20515-0508
Telephone: (202) 225-4965
Fax: (202) 225-8259
E-Mail: sf.nancy@mail.house.gov

Richard W. Pombo (R-11)

2411 Rayburn House Office Bldg.
Washington, DC 20515
Telephone: (202) 225-1947
Fax: (202) 226-0861
E-Mail: rpombo@mail.house.gov

George Radanovich (R-19)

213 Cannon House Office Bldg.
Washington, DC 20515-0519
Telephone: (202) 225-4540
Fax: (202) 225-3402
Email: george.radanovich@mail.house.gov

James E. Rogan (R-27)

126 Cannon House Office Bldg.
Washington, DC 20515-0527
Telephone: (202) 225-4176
Fax: (202) 225-5828
Email: jer@mail.house.gov

Dana Rohrabacher (R-45)

2338 Rayburn House Office Bldg.
Washington, DC 20515-0545
Telephone: (202) 225-2415
Fax: (202) 225-0145
Email: dana@mail.house.gov

Lucille Roybal-Allard (D-33)

2435 Rayburn House Office Bldg.
Washington, DC 20515-0533
Telephone: (202) 225-1766
Fax: (202) 226-0350

Ed Royce (R-39)

1133 Longworth House Office Bldg.
Washington, DC 20515-0539
Telephone: (202) 225-4111
Fax: (202) 226-0335

Loretta Sanchez (D-46)

1529 Longworth House Office Bldg.
Washington, DC 20515-0546
Telephone: (202) 225-2965
Fax: (202) 225-5859
E-Mail: loretta@mail.house.gov

722 B Main St.
Woodland, CA 95695
Telephone: (530) 669-3540
In Red Bluff: (530) 669-1395

629 Camino de Los Mares, #204
San Clemente, CA 92673
Telephone: (949) 496-2343
Fax: (949) 496-1888

221 E. Vista Way, Suite 205
Vista, CA 92084
Telephone: (760) 631-1364
Fax: (760) 631-1367

Phillip Burton Federal Bldg.
450 Golden Gate Ave.
San Francisco, CA 94102
Telephone: (415) 556-4862
Fax: (415) 861-1670

2495 W. March Ln., Suite 104
Stockton, CA 95207
Telephone: (209) 951-3091

2377 W. Shaw, Suite 105
Fresno, CA 93711
Telephone: (559) 248-0800
Fax: (559) 248-0169

199 S. Los Robles Ave., #560
Pasadena, CA 91101-2458
Telephone: (626) 577-3969
Fax: (626) 577-5581

101 Main St., Suite 3C
Huntington Beach, CA 92648
Telephone: (714) 960-6483
Fax: (714) 960-7806

255 E. Temple St., Suite 1860
Los Angeles, CA 90012
Telephone: (213) 628-9230
Fax: (213) 628-8578

305 N. Harbor Blvd., Suite 300
Fullerton, CA 92832
Telephone: (714) 992-8081
(562) 220-2411
Fax: (714) 992-1668

12397 Lewis St., Suite 101
Garden Grove, CA 92840
Telephone: (714) 621-0102
Fax: (714) 621-0401

Brad Sherman (D-24)

1524 Longworth House Office Bldg.
Washington, DC 20515-0524
Telephone: (202) 225-5911
Fax: (202) 225-5879
Email: brad.sherman@mail.house.gov

Pete Stark (D-13)

239 Cannon House Office Bldg.
Washington, DC 20515-0513
Telephone: (202) 225-5065
Fax: (202) 226-3805
E-Mail: petemail@stark.house.gov

Ellen Tauscher (D-10)

1239 Longworth House Office Bldg.
Washington, DC 20515-0510
Telephone: (202) 225-1880
Fax: (202) 225-5914
Email: ellen.tauscher@mail.house.gov

William M. Thomas (R-21)

2208 Rayburn House Office Bldg.
Washington, DC 20515-0521
Telephone: (202) 225-2915
Fax: (202) 225-8798

Mike Thompson (D-1)

415 Cannon House Office Bldg.
Washington, DC 20515
Telephone: (202) 225-3311
Fax: (202) 225-4335
E-mail: m.thompson@mail.house.gov

Maxine Waters (D-35)

2344 Rayburn House Office Bldg.
Washington, DC 20515-0535
Telephone: (202) 225-2201

Henry A. Waxman (D-29)

2204 Rayburn House Office Bldg.
Washington, DC 20515-0529
Telephone: (202) 225-3976
Fax: (202) 225-4099

Lynn C. Woolsey (D-6)

439 Cannon House Office Bldg.
Washington, DC 20515-0506
Telephone: (202) 225-5161
Fax: (202) 225-5163
Email: lynn.woolsey@mail.house.gov

21031 Ventura Blvd.
Woodland Hills, CA 91364
Telephone: (818) 999-1990
Fax: (818) 999-2287

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
Telephone: (805) 449-2372
Fax: (805) 449-2375

39300 Civic Center Dr., #220
Fremont, CA 94538
Telephone: (510) 494-1388
Fax: (510) 494-5852

1801 N. California Blvd., #103
Walnut Creek, CA 94596
Telephone: (925) 932-8899
Fax: (925) 932-8159

100 Civic Plaza, Suite 242
Dublin, CA 94549
Telephone: (925) 829-0813
Fax: (925) 829-7318

420 W. 3rd St.
Antioch, CA 94509
Telephone: (925) 757-7187
Fax: (925) 757-7056

4100 Truxtun Ave., Room 220
Bakersfield, CA 93309
Telephone: (661) 327-3611
Fax: (661) 631-9535

319 W. Murray Ave.
Visalia, CA 93291
Telephone: (559) 627-6549
Fax: (559) 627-6924

430 North Franklin St.
P.O. Box 2208
Fort Bragg, CA 95437
Telephone: (707) 962-0933
Fax: (707) 962-0934

317 Third St., Suite One
Eureka, CA 95501
Telephone: (707) 269-9595
Fax: (707) 269-9598

10124 Broadway, #1
Los Angeles, CA 90003
Telephone: (323) 757-8900

8436 W. 3rd St., Suite 600
Los Angeles, CA 90048
Telephone: (323) 651-1040
Fax: (323) 655-0502

1101 College Ave., Suite 200
Santa Rosa, CA 95404
Telephone: (707) 542-7182
Fax: (707) 542-2745

1050 Northgate Dr.
San Rafael, CA 94903
Telephone: (415) 507-9554
Fax: (415) 507-9601

ASSEMBLY JOINT RESOLUTION No. 9

Adopted in Assembly March 22, 1999 and in the Senate May 24, 1999

This measure would memorialize the President and the Congress of the United States not to include mandatory Social Security coverage on noncovered state and local government employees in any Social Security reform legislation.

WHEREAS, The Social Security Trust Fund is expected to have insufficient funds to meet its obligations by 2032; and

WHEREAS, Comprehensive Social Security reform is necessary to ensure continued viability of the Social Security system for the millions of current and future beneficiaries; and

WHEREAS, Legislation is expected to be considered in Congress which is intended to provide financial stability to the Social Security Trust Fund; and

WHEREAS, Mandating coverage for all newly hired noncovered state and local government employees has been suggested by some as one of the possible options for financing Social Security reform; and

WHEREAS, State and local government employers were initially precluded from participating in the Social Security system when it was established in 1935 on the basis that it was considered unconstitutional for the federal government to tax state and local governments; and

WHEREAS, State and local governments established retirement plans to meet their needs in lieu of Social Security coverage; and

WHEREAS, The federal government is now searching for avenues to finance the failing Social Security Trust Fund; and

WHEREAS, Mandating Social Security coverage on all newly hired noncovered employees extends the solvency of the Social Security Trust Fund a mere two years; and

WHEREAS, Mandatory Social Security coverage results in a tax increase of 6.2 percent each for the state and local government employer and employee; and

WHEREAS, There are currently over one million noncovered public employees in the State of California most notably public school teachers, faculty, and administrators, and public safety, as well as numerous city, county, and special district, employees; and

WHEREAS, Estimates project a cost of at least \$12.5 billion to California's state and local government employers, primarily school districts, and newly hired workers over the first 10 years of implementation; and

WHEREAS, Education reform is a critical priority for the State of California; and

WHEREAS, Mandatory Social Security coverage will have a devastating impact on California's ability to implement education reform measures, such as class size reduction; and

WHEREAS, This increased tax from mandatory Social Security coverage would come at the direct expense of education programs, benefits, and services for students and employees in California; and

WHEREAS, State and local government employers in California may have no choice but to reduce services such as law enforcement, fire protection, health, programs for senior citizens and the disabled, library, parks and recreation, refuse collection, and recycling programs in order to pay this new federal tax; and

WHEREAS, Benefits currently provided by California's state and local government retirement plans may need to be reduced due to the cost imposed by mandatory Social Security coverage; and

WHEREAS, The increased employee tax will result in a significant reduction of a newly hired worker's take-home salary; and

WHEREAS, Reducing the current retirement benefit structure and the take-home salary of workers will have an adverse impact on the recruitment and retention of public employees in California and employee morale; and

WHEREAS, This new tax is a shift of federal government burden to our communities to solve a federal problem which our state and local governments had no hand in creating and under which there will be no benefit paid to our workers for more than a generation; and

WHEREAS, Compelling state and local governments to participate in the Social Security system provides no benefit to these public employers, school districts, or students; now, therefore, be it

Resolved by the Assembly and Senate of the State Of California, jointly, That the Legislature of the State of California urges the President and the Congress of the United States in the strongest possible terms not to include mandatory Social Security coverage on noncovered state and local government employees in any Social Security reform legislation; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

CalPERS Mandatory Social Security Issue Brief

is produced by the CalPERS Governmental Affairs Office.

Robert D. Walton, Assistant Executive Officer

Casey Young, Governmental Affairs Director
(916) 326-3689

CalPERS Governmental Affairs/Federal
c/o David Vienna & Associates

1020 N. Fairfax Street
Alexandria, Virginia 22314

Phone: (703) 684-5236 FAX: (703) 684-3417